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Groups and  
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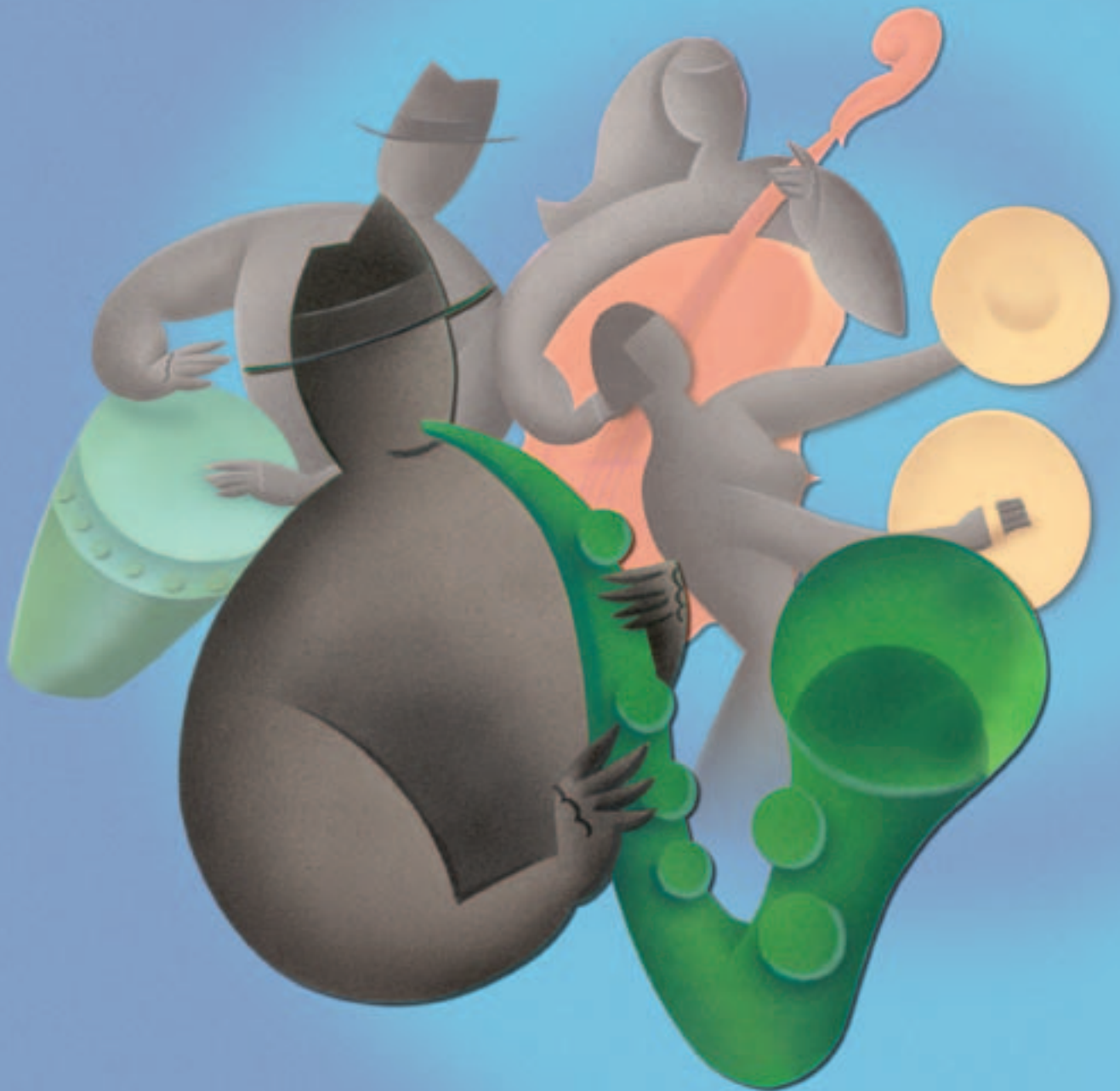
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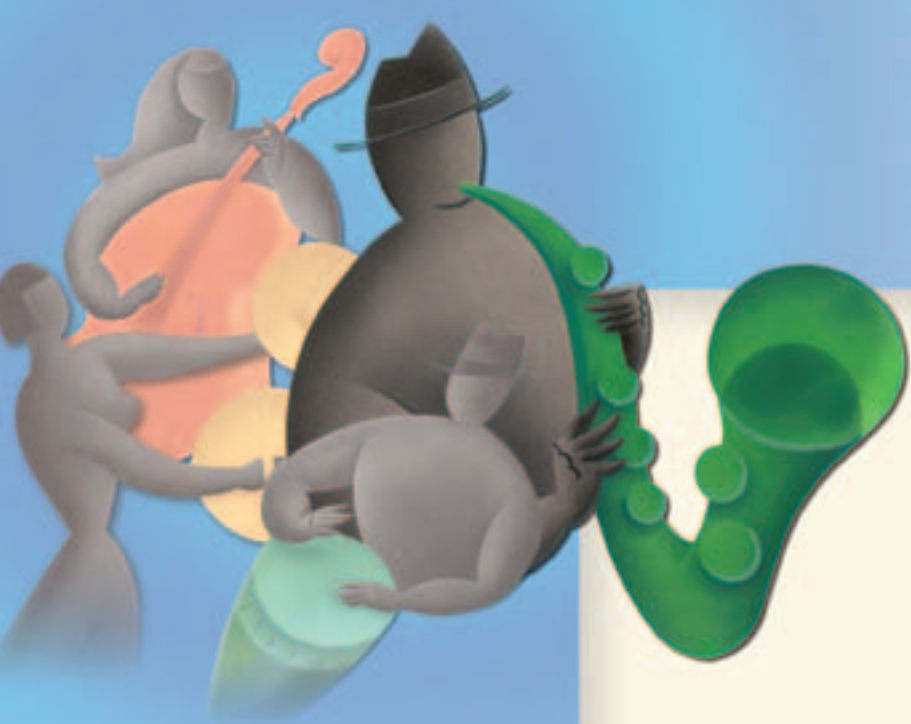
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## Part 3

# Social Behaviour and Organizational Processes





## Chapter 7

# Groups and Teamwork

### Learning Objectives

After reading Chapter 7, you should be able to:

- 1 Define *groups* and distinguish between *formal* and *informal groups*.
- 2 Discuss group development.
- 3 Explain how group size and member diversity influence what occurs in groups.
- 4 Review how *norms*, *roles*, and *status* affect social interaction.
- 5 Discuss the causes and consequences of *group cohesiveness*.
- 6 Explain the dynamics of *social loafing*.
- 7 Discuss how to design and support *self-managed teams*.
- 8 Explain the logic behind *cross-functional teams* and describe how they can operate effectively.
- 9 Understand *virtual teams* and what makes them effective.

Four assembly lines roll until midnight at Diamond Packaging Contract Manufacturing, without a supervisor in sight. Instead, about 20 temporary workers take direction from a team of 11 full-time colleagues. They operate multiple packaging assembly lines without direct supervision or management support. The team decides who will fold cartons and who will fill boxes. The team tracks product quality and profit, and the team decides when to call it a night.

The team approach, which Diamond began developing in 1995, has boosted employee satisfaction and increased the company's productivity, quality, and sales. It also helped the company win the 1998 RIT/USA *Today* Quality Cup for small business.

"I've never seen a team so absolutely autonomous," marvelled Janet Barnard, a Quality Cup judge and professor at the Rochester Institute of Technology College of Business. "They were head and shoulders above all the nominees I saw."

Diamond Packaging, a family business since 1973, created the Contract Manufacturing division (DCM), formally called Packaging Services Division, in 1989 to fill the cardboard boxes it made. But DCM broke off in 1994 to become an independent profit centre. Manager Kirsten Voss knew she had to change the top-down management structure to survive. DCM's business is based on getting last-minute jobs from clients, such as Westwood-Squibb and Polaroid, that need extra help packaging their pharmaceutical or pho-

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Self-managed work teams at Diamond Packaging Contract Manufacturing Division have improved employee satisfaction and increased company productivity, quality, and sales.

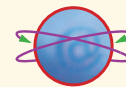
tographic products. There is no time to work through long management chains. "We have to be flexible and responsive," says Voss, who employs 45 people. "We couldn't do this without teams."

To motivate the teams, DCM also created a daily scorecard that each assembly line on each shift uses. It measures performance in five areas: profit (maximum 45 points), quality (35), cleanliness (20), training (15), and safety (5). For every 100 points scored, a \$5 token is set aside. When employees earn \$1,000, the money is divided among the full-time employees. "It makes everyone really aware of what we're doing," says Anne Faulhaber, who posts scores for everyone to see. "It's more rewarding."

Teams also set a weekly scorecard goal for themselves—and decide how they will be rewarded if they meet it. For example, if the average weekly score for all shifts reached 110, all shifts can leave an hour early on Friday, with pay. "It becomes very clear what the objective is," Voss says. "That drives not just production but quality, training, and safety."

Since the team scorecards started in 1996, employees have developed three times as many job skills. Everyone has a training and development plan. Employees can get points for their scorecards if they turn in ideas on how to improve operations. The number of ideas is up 52 percent.

The average score per card increased from 86 to 94, and employees are on pace to exceed 100. As well, employees earned twice as much reward money—\$5,220—and are on pace to earn \$8,200 this year. Customer complaints have fallen by 25 percent, and DCM, which was not profitable in 1995, increased profits 350 percent from 1996 to 1997. DCM's revenue also jumped from \$2.4 million in 1996 to \$3.4 million in 1997. However, the number of late deliveries—four—did not increase. And so far this year, no deliveries have been missed.



Diamond Packaging  
[www.diamondpackaging.com](http://www.diamondpackaging.com)

"Whether they are thinking about how to prevent errors or how to be better tomorrow, they are always making small, incremental improvements each day," Voss says. "You have an incentive now," says Floyd Reeves, at a machine that will slip plastic sleeves over 25,000 film canisters before midnight. "You get to make more decisions."<sup>1</sup>

This vignette shows how critical groups or teams are in determining organizational success. In this chapter, we will define the term *group* and discuss the nature of formal groups and informal groups in organizations. After this, we will present the details of group development. Then, we will consider how groups differ from one another structurally and explore the consequences of these differences. We will also cover the problem of social loafing. Finally, we will examine teams and how to design effective work teams.

## What Is a Group?

**Group.** Two or more people interacting interdependently to achieve a common goal.

We use the word *group* rather casually in everyday discourse—special-interest group, ethnic group, and others. However, for behavioural scientists, a **group** consists of two or more people interacting interdependently to achieve a common goal.

Interaction is the most basic aspect of a group—it suggests who is in the group and who is not. The interaction of group members need not be face-to-face, and it need not be verbal. For example, employees who “telecommute” can be part of their work group at the office even though they live miles away and communicate with a modem. Interdependence simply means that group members rely to some degree on each other to accomplish goals. All groups have one or more goals that their members seek to achieve. These goals can range from having fun to marketing a new product to achieving world peace.

Group memberships are very important for two reasons. First, groups exert a tremendous influence on us. They are the social mechanisms by which we acquire many beliefs, values, attitudes, and behaviours. Group membership is also important because groups provide a context in which *we* are able to exert influence on *others*.

**Formal work groups.** Groups that are established by organizations to facilitate the achievement of organizational goals.

**Formal work groups** are groups that organizations establish to facilitate the achievement of organizational goals. They are intentionally designed to channel individual effort in an appropriate direction. The most common formal group consists of a manager and the employees who report to that manager. In a manufacturing company, one such group might consist of a production manager and the six shift supervisors who report to him or her. In turn, the shift supervisors head work groups composed of themselves and their respective subordinates. Thus, the hierarchy of most organizations is a series of formal interlocked work groups. As the Diamond Packaging case shows, all this direct supervision is not always necessary. Nevertheless, Diamond Packaging’s self-managed teams are still formal work groups.

Other types of formal work groups include task forces and committees. *Task forces* are temporary groups that meet to achieve particular goals or to solve particular problems, such as suggesting productivity improvements. *Committees* are



usually permanent groups that handle recurrent assignments outside the usual work group structures. For example, a firm might have a standing committee on work–family balance.

In addition to formal groups sanctioned by management to achieve organizational goals, informal grouping occurs in all organizations. **Informal groups** are groups that emerge naturally in response to the common interests of organizational members. They are seldom sanctioned by the organization, and their membership often cuts across formal groups. Informal groups can either help or hurt an organization, depending on their norms for behaviour. We will consider this in detail later.

**Informal groups.** Groups that emerge naturally in response to the common interests of organizational members.

## Group Development

Even relatively simple groups are actually complex social devices that require a fair amount of negotiation and trial-and-error before individual members begin to function as a true group. While employees often know each other before new teams are formed, simple familiarity does not replace the necessity for team development.

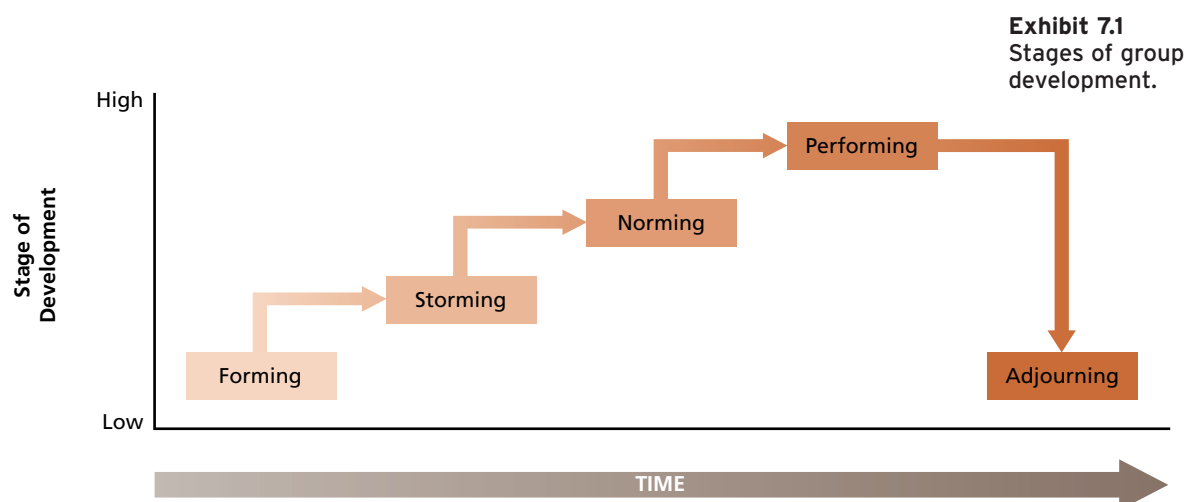
### Typical Stages of Group Development

Leaders and trainers have observed that many groups develop through a series of stages over time.<sup>2</sup> Each stage presents the members with a series of challenges they must master in order to achieve the next stage. These stages (forming, storming, norming, performing, and adjourning) are presented in Exhibit 7.1.

**Forming.** At this early stage, group members try to orient themselves by “testing the waters.” What are we doing here? What are the others like? What is our purpose? The situation is often ambiguous, and members are aware of their dependency on each other.

**Storming.** At this second stage, conflict often emerges. Confrontation and criticism occur as members determine whether they will go along with the way the group is developing. Sorting out roles and responsibilities is often at issue here. Problems are more likely to happen earlier, rather than later, in group development.

**Norming.** At this stage, members resolve the issues that provoked the storming, and they develop social consensus. Compromise is often necessary. Interdependence is recognized, norms are agreed to, and the group becomes more cohesive (we will study these processes later). Information and opinions flow freely.



**Performing.** With its social structure sorted out, the group devotes its energies toward task accomplishment. Achievement, creativity, and mutual assistance are prominent themes of this stage.

**Adjourning.** Some groups, such as task forces and design project teams, have a definite life span and disperse after achieving their goals. Also, some groups disperse when corporate layoffs and downsizing occur. At this adjourning stage, rites and rituals that affirm the group's previous successful development are common (such as ceremonies and parties). Members often exhibit emotional support for each other.<sup>3</sup>

The stages model is a good tool for monitoring and troubleshooting how groups are developing. However, not all groups go through these stages of development. The process applies mainly to new groups that have never met before. Well-acquainted task forces and committees can short-circuit these stages when they have a new problem to work out.<sup>4</sup> Also, some organizational settings are so structured that storming and norming are unnecessary for even strangers to coalesce into a team. For example, most commercial airline cockpit crews perform effectively even though they can be made up of virtual strangers who meet just before takeoff.<sup>5</sup>

## Punctuated Equilibrium

When groups have a specific deadline by which to complete some problem-solving task, we can often observe a very different development sequence from that described above. Connie Gersick, whose research uncovered this sequence, describes it as a **punctuated equilibrium model** of group development.<sup>6</sup> *Equilibrium* means stability, and the research revealed apparent stretches of group stability punctuated by a critical first meeting, a midpoint change in group activity, and a rush to task completion. Along with many real-world work groups, Gersick studied student groups doing class projects, so see if this sequence of events sounds familiar to you.

**Phase 1.** Phase 1 begins with the first meeting and continues until the midpoint in the group's existence. The very first meeting is critical in setting the agenda for what will happen in the remainder of this phase. Assumptions, approaches, and precedents that members develop in the first meeting end up dominating the first half of the group's life. Although it gathers information and holds meetings, the group makes little visible progress toward the goal.

**Midpoint Transition.** The midpoint transition occurs at almost exactly the halfway point in time toward the group's deadline. For instance, if the group has a two-month deadline, the transition will occur at about one month. The transition marks a change in the group's approach, and how the group manages it is critical for the group to show progress. The need to move forward is apparent, and the group may seek outside advice. This transition may consolidate previously acquired information or even mark a completely new approach, but it crystallizes the group's activities for Phase 2 just like the first meeting did for Phase 1.

**Phase 2.** For better or for worse, decisions and approaches adopted at the midpoint get played out in Phase 2. It concludes with a final meeting that reveals a burst of activity and a concern for how outsiders will evaluate the product.

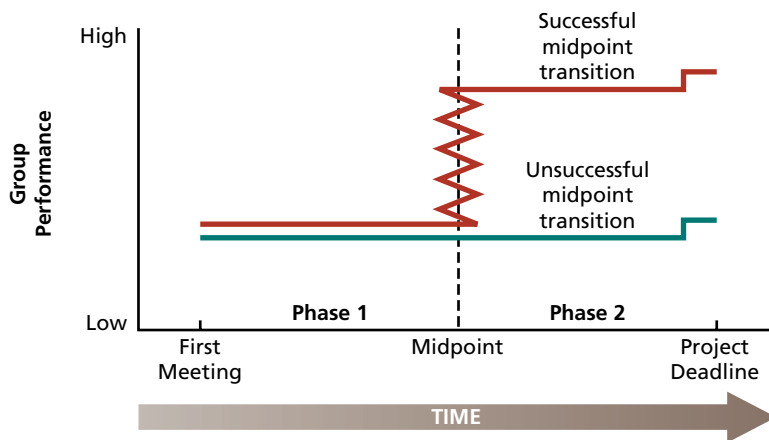
Exhibit 7.2 shows how the punctuated equilibrium model works for groups that successfully or unsuccessfully manage the midpoint transition.

What advice does the punctuated equilibrium model offer for managing product development teams, advertising groups, or class project groups?<sup>7</sup>

- Prepare carefully for the first meeting. What is decided here will strongly determine what happens in the rest of Phase 1.

### Punctuated equilibrium model.

A model of group development that describes how groups with deadlines are affected by their first meetings and crucial midpoint transitions.



**Exhibit 7.2**  
The punctuated equilibrium model of group development for two groups.

- As long as people are working, do not look for radical progress during Phase 1.
- Manage the midpoint transition carefully. Evaluate the strengths and weaknesses of the ideas that people generated in Phase 1. Clarify any questions with whoever is commissioning your work. Recognize that a fundamental change in approach must occur here for progress to occur. Essential issues are not likely to “work themselves out” during Phase 2.
- Be sure that adequate resources are available to actually execute the Phase 2 plan.
- Resist deadline changes. These could damage the midpoint transition.

As noted, the concept of punctuated equilibrium applies to groups with deadlines. Such groups might also exhibit some of the stages of development noted earlier, with a new cycle of storming and norming following the midpoint transition.

## Group Structure and Its Consequences

*Group structure* refers to the characteristics of the stable social organization of a group, the way a group is “put together.” The most basic structural characteristics along which groups vary are size and member diversity. Other structural characteristics are the expectations that members have about each other’s behaviour (norms), agreements about “who does what” in the group (roles), the rewards and prestige allocated to various group members (status), and how attractive the group is to its members (cohesiveness).

### Group Size

Of one thing we can be certain—the smallest possible group consists of two people, such as a manager and a particular employee. It is possible to engage in much theoretical nit picking about just what constitutes an upper limit on group size. However, given the definition of group that we presented earlier, it would seem that congressional or parliamentary size (300 to 400 members) is somewhere close to this limit. In practice, most work groups, including task forces and committees, usually have between three and 20 members.

**Size and Satisfaction.** The more the merrier? In theory, yes. In fact, however, members of larger groups rather consistently report less satisfaction with group



membership than those who find themselves in smaller groups.<sup>8</sup> What accounts for this apparent contradiction?

For one thing, as opportunities for friendship increase, the chance to work on and develop these opportunities might decrease owing to the sheer time and energy required. In addition, larger groups, in incorporating more members with different viewpoints, might prompt conflict and dissension, which work against member satisfaction. As group size increases, the time available for verbal participation by each member decreases. Also, many people are inhibited about participating in larger groups.<sup>9</sup> To the extent that individuals value such participation, dissatisfaction will again be the outcome. Finally, in larger groups, individual members identify less easily with the success and accomplishments of the group. For example, a particular member of a four-person cancer research team should be able to identify his or her personal contributions to a research breakthrough more easily than can a member of a 20-person team.

**Size and Performance.** Satisfaction aside, do large groups perform tasks better than small groups? This question has great relevance to practical organizational decisions: How many people should a bank assign to evaluate loan applications? How many carpenters should a construction company assign to build a garage? If a school system decides to implement team teaching, how big should the teams be? The answers to these and similar questions depend on the exact task that the group needs to accomplish and on what we mean by good performance.<sup>10</sup>

Some tasks are **additive tasks**. This means that we can predict potential performance by adding the performances of individual group members together. Building a house is an additive task, and we can estimate potential speed of construction by adding the efforts of individual carpenters. Thus, for additive tasks, the potential performance of the group increases with group size.

Some tasks are **disjunctive tasks**. This means that the potential performance of the group depends on the performance of its *best member*. For example, suppose that a research team is looking for a single error in a complicated computer program. In this case, the performance of the team might hinge on its containing at least one bright, attentive, logical-minded individual. Obviously, the potential performance of groups doing disjunctive tasks also increases with group size because the probability that the group includes a superior performer is greater.

We use the term “potential performance” consistently in the preceding two paragraphs for the following reason: As groups performing tasks get bigger, they tend to suffer from process losses.<sup>11</sup> **Process losses** are performance difficulties that stem from the problems of motivating and coordinating larger groups. Even with good intentions, problems of communication and decision making increase with size—imagine 50 carpenters trying to build a house. Thus, actual performance = potential performance – process losses.

These points are summarized in Exhibit 7.3. As you can see in part (a), both potential performance and process losses increase with group size for additive and disjunctive tasks. The net effect is shown in part (b), which demonstrates that actual performance increases with size up to a point and then falls off. Part (c) shows that the *average* performance of group members decreases as size gets bigger. Thus, up to a point, larger groups might perform better as groups, but their individual members would be less efficient.

We should note one other kind of task. **Conjunctive tasks** are those in which the performance of the group is limited by its *poorest performer*. For example, an assembly-line operation is limited by its weakest link. Also, if team teaching is the technique used to train employees how to perform a complicated, sequential job, one poor teacher in the sequence will severely damage the effectiveness of the team. Both the potential and actual performance of conjunctive tasks would decrease as group size increases because the probability of including a weak link in the group goes up.

**Additive tasks.** Tasks in which group performance is dependent on the sum of the performance of individual group members.

**Disjunctive tasks.** Tasks in which group performance is dependent on the performance of the best group member.

**Process losses.** Group performance difficulties stemming from the problems of motivating and coordinating larger groups.

**Conjunctive tasks.** Tasks in which group performance is limited by the performance of the poorest group member.

**Exhibit 7.3**  
**Relationships among group size, productivity, and process losses.**

Source: From Steiner, I. D. (1972). *Group process and productivity*. New York: Academic Press, p. 96. Copyright © 1972, by Harcourt Brace Jovanovich, Inc., reprinted by permission of the publisher and the author.

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In summary, for additive and disjunctive tasks, larger groups might perform better up to a point, but at increasing costs to the efficiency of individual members. By any standard, performance on purely conjunctive tasks should decrease as group size increases.

### Diversity of Group Membership

Imagine an eight-member product development task force composed exclusively of 30-something white males of basically Western European heritage. Then imagine another task force with 50 percent men and 50 percent women, from eight different ethnic or racial backgrounds, and an age range from 25 to 55. The first group is obviously homogeneous in its membership, while the latter is heterogeneous or diverse. Which task force do you think would develop more quickly as a group? Which would be most creative?

Group diversity has a strong impact on interaction patterns—more diverse groups have a more difficult time communicating effectively and becoming cohesive (we will study cohesiveness in more detail shortly).<sup>12</sup> This means that diverse groups might tend to take longer to do their forming, storming, and norming.<sup>13</sup> Once they do develop, more and less diverse groups are equally cohesive and productive.<sup>14</sup> However, diverse groups sometimes perform better when the task requires cognitive, creativity-demanding tasks and problem solving rather than more routine work because members consider a broader array of ideas.<sup>15</sup> In general, any negative effects of “surface diversity” in age, gender, or race seem to wear off over time. However, “deep diversity” in attitudes toward work or how to accomplish a goal can badly damage cohesiveness.<sup>16</sup>

All this speaks well for the concepts of valuing and managing diversity, which we discussed in Chapter 3. When management values and manages diversity, it

offsets some of the initial process loss costs of diversity and capitalizes on its benefits for team performance.

## Group Norms

**Norms.** Collective expectations that members of social units have regarding the behaviour of each other.

Social **norms** are collective expectations that members of social units have regarding the behaviour of each other. As such, they are codes of conduct that specify what individuals ought and ought not to do or standards against which we evaluate the appropriateness of behaviour.

Much normative influence is unconscious, and we are often aware of such influence only in special circumstances, such as when we see children struggling to master adult norms or foreigners sparring with the norms of our culture. We also become conscious of norms when we encounter ones that seem to conflict with each other (“Get ahead,” but “Don’t step on others”) or when we enter new social situations. For instance, the first day on a new job, workers frequently search for cues about what is considered proper office etiquette: Should I call the boss “mister”? Can I personalize my work space?

**Norm Development.** *Why* do norms develop? The most important function that norms serve is to provide regularity and predictability to behaviour. This consistency provides important psychological security and permits us to carry out our daily business with minimal disruption.

What do norms develop *about*? Norms develop to regulate behaviours that are considered at least marginally important to their supporters. For example, managers are more likely to adopt norms regarding the performance and attendance of employees than norms concerning how employees personalize and decorate their offices. In general, less deviation is accepted from norms that concern more important behaviours.

*How* do norms develop? As we discussed in Chapter 4, individuals develop attitudes as a function of a related belief and value. In many cases, their attitudes affect their behaviour. When the members of a group *share* related beliefs and values, we can expect them to share consequent attitudes. These shared attitudes then form the basis for norms.<sup>17</sup> Notice that it really does not make sense to talk about “my personal norm.” Norms are *collectively* held expectations, depending on two or more people for their existence. However, norms can be targeted at a single individual. For example, work groups frequently develop shared expectations about how their bosses should behave.

Why do individuals tend to comply with norms? Much compliance occurs simply because the norm corresponds to privately held attitudes. In addition, even when norms support trivial social niceties (such as when to shake hands or when to look serious), they often save time and prevent social confusion. Most interesting, however, is the case in which individuals comply with norms that *go against* their privately held attitudes and opinions. For example, couples without religious convictions frequently get married in religious services, and people who hate neckties often wear them to work. In short, groups have an extraordinary range of rewards and punishments available to induce conformity to norms. In the next chapter, we will examine this process in detail.

**Some Typical Norms.** There are some classes of norms that seem to crop up in most organizations and affect the behaviour of members. They include the following:

- **Dress norms.** Social norms frequently dictate the kind of clothing people wear to work.<sup>18</sup> Military and quasimilitary organizations tend to invoke formal norms that support polished buttons and razor-sharp creases. Even in organizations that have adopted casual dress policies, employees often express con-

siderable concern about what they wear at work. Such is the power of social norms.

- *Reward allocation norms.* There are at least four norms that might dictate how rewards, such as pay, promotions, and informal favours, could be allocated in organizations:
  - a. Equity—reward according to inputs, such as effort, performance, or seniority.
  - b. Equality—reward everyone equally.
  - c. Reciprocity—reward people the way they reward you.
  - d. Social responsibility—reward those who truly need the reward.<sup>19</sup>

Officially, of course, most Western organizations tend to stress allocation according to some combination of equity and equality norms—give employees what they deserve, and no favouritism.

- *Performance norms.* The performance of organizational members might be as much a function of social expectations as it is of inherent ability, personal motivation, or technology.<sup>20</sup> Work groups provide their members with potent cues about what an appropriate level of performance is. New group members are alert for these cues: Is it all right to take a break now? Under what circumstances can I be absent from work without being punished? (See “Research Focus: *Absence Cultures—Norms in Action.*”) Of course, the official organizational norms that managers send to employees usually favour high performance. However, work groups often establish their own informal performance norms, such as those that restrict productivity under a piece-rate pay system.

## RESEARCH FOCUS

### Absence Cultures—Norms in Action

On first thought, you might assume that absenteeism from work is a very individualized behaviour, a product of random sickness or of personal job dissatisfaction. Although these factors contribute to absenteeism, there is growing evidence that group norms also have a strong impact on how much work people miss.

We can see cross-national differences in absenteeism. Traditionally, absence has been rather high in Scandinavia, lower in the United States and Canada, and lower yet in Japan and Switzerland. Clearly, these differences are not due to sickness, but rather to differences in cultural values about the legitimacy of taking time off work. These differences get reflected in work group norms.

Within the same country and company, we can still see group differences in absenteeism. A company that Gary Johns studied had four plants that made the same products and had identical human resource policies. Despite this, one plant had a 12 percent absence rate while another had a rate of 5 percent. Within one plant, some departments had virtually no absence while others approached 25 percent!

Moving to the small group level, Johns also studied small customer service groups in a utility company. Despite all doing the same work in the

same firm, there were again striking cross-group differences in absenteeism, ranging from 1 to 13 percent.

These normative differences in absenteeism across groups are called *absence cultures*. How do they develop? People tend to adjust their own absence behaviour to what they see as typical of their group. Then, other factors come into play. In the utility company study, the groups that monitored each others' behaviour more closely had lower absence. A Canadian study found that air-traffic controllers traded off calling in sick so that their colleagues could replace them at double overtime. A U.K. study found that industrial workers actually posted “absence schedules” so that they could take time off without things getting out of hand! All these are examples of norms in action.

The norms underlying absence cultures can dictate presence as well as absence. Recent studies show that “presenteeism,” coming to work when feeling unwell, is prevalent in many human services occupations.

Source: Some of the research bearing on absence cultures is described in Johns, G. (2003). How methodological diversity has improved our understanding of absenteeism from work. *Human Resource Management Review*, 13, 157–184.

**Roles.** Positions in a group that have a set of expected behaviours attached to them.

## Roles

**Roles** are positions in a group that have a set of expected behaviours attached to them. Thus, roles represent “packages” of norms that apply to particular group members. As we implied in the previous section, many norms apply to all group members in order to be sure that they engage in *similar* behaviours (such as restricting productivity or dressing a certain way). However, the development of roles is indicative of the fact that group members might also be required to act *differently* from one another. For example, in a committee meeting, not every member is required to function as a secretary or a chairperson, and these become specific roles that are fulfilled by particular people.

In organizations, we find two basic kinds of roles. First, we can identify designated or assigned roles. These are roles that are formally prescribed by an organization as a means of dividing labour and responsibility to facilitate task achievement. In general, assigned roles indicate “who does what” and “who can tell others what to do.” In a software firm, labels that we might apply to formal roles include president, software engineer, analyst, programmer, and sales manager. In addition to assigned roles, we invariably see the development of emergent roles. These are roles that develop naturally to meet the social-emotional needs of group members or to assist in formal job accomplishment. The class clown and the office gossip fulfill emergent social-emotional roles, while an “old pro” might emerge to assist new group members learn their jobs. Other emergent roles might be assumed by informal leaders or by scapegoats who are the targets of group hostility.

**Role ambiguity.** Lack of clarity of job goals or methods.

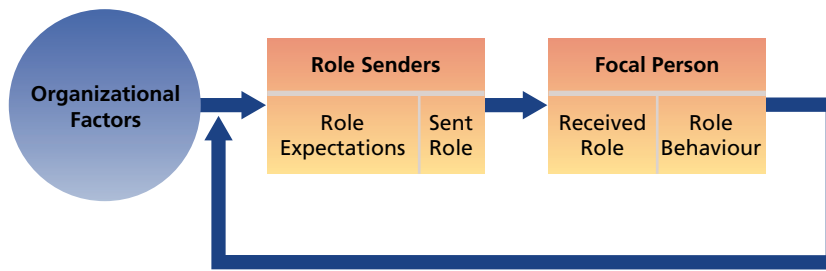
**Role Ambiguity.** **Role ambiguity** exists when the goals of one’s job or the methods of performing it are unclear. Ambiguity might be characterized by confusion about how performance is evaluated, how good performance can be achieved, or what the limits of one’s authority and responsibility are.

Exhibit 7.4 shows a model of the process that is involved in assuming an organizational role. As you can see, certain organizational factors lead role senders (such as managers) to develop role expectations and “send” roles to focal people (such as employees). The focal person “receives” the role and then tries to engage in behaviour to fulfill the role. This model reveals a variety of elements that can lead to ambiguity.

- **Organizational factors.** Some roles seem inherently ambiguous because of their function in the organization. For example, middle management roles might fail to provide the “big picture” that upper management roles do. Also middle management roles do not require the attention to supervision necessary in lower management roles.
- **The role sender.** Role senders might have unclear expectations of a focal person. Even when the sender has specific role expectations, they might be ineffectively sent to the focal person. A weak orientation session, vague performance reviews, or inconsistent feedback and discipline may send ambiguous role messages to employees.
- **The focal person.** Even role expectations that are clearly developed and sent might not be fully digested by the focal person. This is especially true when he or she is new to the role. Ambiguity tends to decrease as length of time in the job role increases.<sup>21</sup>

What are the practical consequences of role ambiguity? The most frequent outcomes appear to be job stress, dissatisfaction, reduced organizational commitment, lowered performance, and intentions to quit.<sup>22</sup> Managers can do much to reduce unnecessary role ambiguity by providing clear performance expectations and performance feedback, especially for new employees and for those in more intrinsically ambiguous jobs.



**Exhibit 7.4**

A model of the role assumption process.

Source: Adapted from Katz, D., et al. (1966, 1978). *The social psychology of organizations*. New York: Wiley, p. 196. Copyright © 1966, 1978, by John Wiley & Sons, Inc. Reprinted by permission of John Wiley & Sons, Inc.

**Role Conflict.** Role conflict exists when an individual is faced with incompatible role expectations. Conflict can be distinguished from ambiguity, in that role expectations might be crystal clear but incompatible in the sense that they are mutually exclusive, cannot be fulfilled simultaneously, or do not suit the role occupant.

- **Intrasender role conflict** occurs when a single role sender provides incompatible role expectations to the role occupant. For example, a manager might tell an employee to take it easy and not work so hard, while delivering yet another batch of reports that requires immediate attention. This form of role conflict seems especially likely to also provoke ambiguity.
- If two or more role senders differ in their expectations for a role occupant, **intersender role conflict** can develop. Employees who straddle the boundary between the organization and its clients or customers are especially likely to encounter this form of conflict. Intersender conflict can also stem exclusively from within the organization. The classic example here is the first-level manager, who serves as the interface between “management” and “the workers.” From above, the manager might be pressured to get the work out and keep the troops in line. From below, he or she might be encouraged to behave in a considerate and friendly manner.
- Organizational members necessarily play several roles at one time, especially if we include roles external to the organization. Often, the expectations inherent in these several roles are incompatible, and **interrole conflict** results.<sup>23</sup> One person, for example, might fulfill the roles of a functional expert in marketing, head of the market research group, subordinate to the vice-president of marketing, and member of a product development task force. This is obviously a busy person, and competing demands for her time are a frequent symptom of interrole conflict.
- Even when role demands are clear and otherwise congruent, they might be incompatible with the personality or skills of the role occupant—thus, **person–role conflict** results.<sup>24</sup> Many examples of “whistleblowing” are signals of person–role conflict. The organization has demanded some role behaviour that the occupant considers unethical.

As with role ambiguity, the most consistent consequences of role conflict are job dissatisfaction, stress reactions, lowered organizational commitment, and turnover intentions.<sup>25</sup> Managers can help prevent employee role conflict by avoiding self-contradictory messages, conferring with other role senders, being sensitive to multiple role demands, and fitting the right person to the right role.

## Status

**Status** is the rank, social position, or prestige accorded to group members. Put another way, it represents the group’s *evaluation* of a member. Just *what* is evaluated depends on the status system in question. However, when a status system

**Role conflict.** A condition of being faced with incompatible role expectations.

**Intrasender role conflict.** A single role sender provides incompatible role expectations to a role occupant.

**Intersender role conflict.** Two or more role senders provide a role occupant with incompatible expectations.

**Interrole conflict.** Several roles held by a role occupant involve incompatible expectations.

**Person–role conflict.** Role demands call for behaviour that is incompatible with the personality or skills of a role occupant.

**Status.** The rank, social position, or prestige accorded to group members.

works smoothly, the group will exhibit clear norms about who should be awarded higher or lower status.

**Formal Status Systems.** All organizations have both formal and informal status systems. Since formal systems are most obvious to observers, let us begin there. The formal status system represents management's attempt to publicly identify those people who have higher status than others. It is so obvious because this identification is implemented by the application of *status symbols* that are tangible indicators of status. Status symbols might include titles, particular working relationships, the pay package, the work schedule, and the physical working environment. Just what are the criteria for achieving formal organizational status? One criterion is often seniority in one's work group. Employees who have been with the group longer might acquire the privilege of choosing day shift work or a more favourable office location. Even more important than seniority, however, is one's assigned role in the organization, one's job. Because they perform different jobs, secretaries, labourers, managers, and executives acquire different statuses. Organizations often go to great pains to tie status symbols to assigned roles.

Why do organizations go to all this trouble to differentiate status? For one thing, status and the symbols connected to it serve as powerful magnets to induce members to aspire to higher organizational positions (recall Maslow's need for self-esteem). Second, status differentiation reinforces the authority hierarchy in work groups and in the organization as a whole, since people *pay attention* to high-status individuals.

**Informal Status Systems.** In addition to formal status systems, one can detect informal status systems in organizations. Such systems are not well advertised, and they might lack the conspicuous symbols and systematic support that people usually accord the formal system. Nevertheless, they can operate just as effectively. Sometimes, job performance is a basis for the acquisition of informal status. The "power hitters" on a baseball team or the "cool heads" in a hospital emergency unit might be highly evaluated by co-workers for their ability to assist in task accomplishment. Some managers who perform well early in their careers are identified as "fast trackers" and given special job assignments that correspond to their elevated status. Just as frequently, though, informal status is linked to factors other than job performance, such as gender or race. For example, the man who takes a day off work to care for a sick child may be praised as a model father. The woman who does the same may be questioned about her work commitment.

**Consequences of Status Differences.** Status differences have a paradoxical effect on communication patterns. Most people like to communicate with others at their own status or higher, rather than with people who are below them.<sup>26</sup> The result should be a tendency for communication to move up the status hierarchy. However, if status differences are large, people can be inhibited from communicating upward. These opposing effects mean that much communication gets stalled.

Status also affects the amount of various group members' communication and their influence in group affairs. As you might guess, higher-status members do more talking and have more influence.<sup>27</sup> Some of the most convincing evidence comes from studies of jury deliberations, in which jurors with higher social status (such as managers and professionals) participate more and have more effect on the verdict.<sup>28</sup> Unfortunately, there is no guarantee that the highest-status person is the most knowledgeable about the problem at hand!

**Reducing Status Barriers.** Although status differences can be powerful motivators, their tendency to inhibit the free flow of communication has led many organizations to downplay status differentiation by doing away with questionable status

symbols. The goal is to foster a culture of teamwork and cooperation across the ranks. The high-tech culture of Silicon Valley has always been pretty egalitarian and lacking in conspicuous status symbols, but even old-line industries are getting on the bandwagon. For example, Union Carbide's Connecticut headquarters has equal-sized offices and no executive dining rooms or parking lots. At GM's Saturn plant, the big boss wears the same gear as the line workers, and the executive team at Levi Strauss & Co. wears examples of its own informal clothing line. At Maritime Life Assurance Co. a spectacular ninth-floor ocean view of the Northwest Arm was made into an elegant, wood-panelled cafeteria for employees instead of executive offices.<sup>29</sup>

Some organizations employ phoney or misguided attempts to bridge the status barrier. Some examples of "casual Friday" policies (wearing casual clothes on Fridays) only underline status differences the rest of the week if no other cultural changes are made.

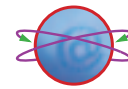
Many observers note that e-mail has levelled status barriers.<sup>30</sup> High-speed transmission, direct access, and the opportunity to avoid live confrontation often encourage lower-status parties to communicate directly with organizational VIPs. This has even been seen in the rank-conscious military.

## Group Cohesiveness

**Group cohesiveness** is a critical property of groups. Cohesive groups are those that are especially attractive to their members. Because of this attractiveness, members are especially desirous of staying in the group and tend to describe the group in favourable terms.<sup>31</sup>

The arch-stereotype of a cohesive group is the major league baseball team that begins September looking like a good bet to win its division and get into the World Series. On the field we see well-oiled, precision teamwork. In the clubhouse, all is sweetness and joviality, and interviewed players tell the world how fine it is to be playing with "a great bunch of guys."

Cohesiveness is a relative, rather than absolute, property of groups. While some groups are more cohesive than others, there is no objective line between cohesive and noncohesive groups. Thus, we will use the adjective *cohesive* to refer to groups that are more attractive than average for their members.



Maritime Life Assurance Co.  
[www.maritimelife.ca](http://www.maritimelife.ca)

**Group cohesiveness.** The degree to which a group is especially attractive to its members.

Cohesive groups lead to effective goal accomplishment.

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## Factors Influencing Cohesiveness

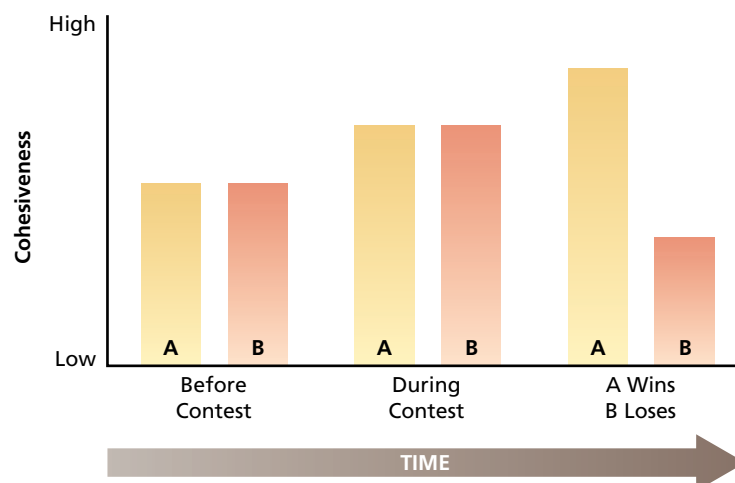
What makes some groups more cohesive than others? Important factors include threat, competition, success, member diversity, group size, and toughness of initiation.

**Threat and Competition.** External threat to the survival of the group increases cohesiveness in a wide variety of situations.<sup>32</sup> As an example, consider the wrangling, uncoordinated corporate board of directors that quickly forms a united front in the face of a takeover bid. Honest competition with another group can also promote cohesiveness.<sup>33</sup> This is the case with the World Series contenders.

Why do groups often become more cohesive in response to threat or competition? They probably feel a need to improve communication and coordination so that they can better cope with the situation at hand. Members now perceive the group as more attractive because it is seen as capable of doing what has to be done to ward off threat or to win. There are, of course, limits to this. Under *extreme* threat or very *unbalanced* competition, increased cohesiveness will serve little purpose. For example, the partners in a firm faced with certain financial disaster would be unlikely to exhibit cohesiveness because it would do nothing to combat the severe threat.

**Success.** It should come as no surprise that a group becomes more attractive to its members when it has successfully accomplished some important goal, such as defending itself against threat or winning a prize.<sup>34</sup> By the same token, cohesiveness will decrease after failure, although there may be “misery loves company” exceptions. The situation for competition is shown graphically in Exhibit 7.5. Fit-Rite Jeans owns two small clothing stores (A and B) in a large city. To boost sales, it holds a contest between the two stores, offering \$150 worth of merchandise to each employee of the store that achieves the highest sales during the next business quarter. Before the competition begins, the staff of each store is equally cohesive. As we suggested above, when competition begins, both groups become more cohesive. The members become more cooperative with each other, and in each store there is much talk about “we” versus “they.” At the end of the quarter, store A wins the prize and becomes yet more cohesive. The group is especially attractive to its members because it has succeeded in the attainment of a desired goal. On the other hand, cohesiveness plummets in the losing store B—the group has become less attractive to its members.

**Exhibit 7.5**  
Competition, success, and cohesiveness.



**Member Diversity.** Earlier, we pointed out that groups that are diverse in terms of gender, age, and race can have a harder time becoming cohesive than more homogeneous groups. However, if the group is in agreement about how to accomplish some particular task, its success in performing the task will often outweigh surface dissimilarity in determining cohesiveness.<sup>35</sup> For example, one study found no relationship between cohesiveness and similarity of age or education for industrial work groups.<sup>36</sup> Another found that the cohesiveness of groups composed of African American and Caucasian southern soldiers was dependent on successful task accomplishment rather than racial composition.<sup>37</sup>

**Size.** Other things being equal, bigger groups should have a more difficult time becoming and staying cohesive. In general, such groups should have a more difficult time agreeing on goals and more problems communicating and coordinating effort to achieve these goals. Earlier, we pointed out that large groups frequently divide into subgroups. Clearly, such subgrouping is contrary to the cohesiveness of the larger group.

**Toughness of Initiation.** Despite its rigorous admissions policies, the Harvard Business School does not lack applicants. Similarly, exclusive yacht and golf clubs might have waiting lists for membership extending several years into the future. All this suggests that groups that are tough to get into should be more attractive than those that are easy to join.<sup>38</sup> This is well known in the armed forces, where rigorous physical training and stressful “survival schools” precede entry into elite units, such as the Special Forces or the Rangers.

Sun Microsystems is a firm with extremely rigorous selection procedures, often exposing job applicants to between four and seven interviews with up to 20 interviewers.<sup>39</sup> Catalytica, Inc., a Mountain View, California, high-tech up-and-comer that specializes in pollution control, also uses tough selection to foster cohesiveness that involves grilling applicants for days at a time.<sup>40</sup>

## Consequences of Cohesiveness

From the previous section, it should be clear that managers or group members might be able to influence the level of cohesiveness of work groups by using competition or threat, varying group size or composition, or manipulating membership requirements. The question remains, however, as to whether *more* or *less* cohesiveness is a desirable group property. This, of course, depends on the consequences of group cohesiveness and who is doing the judging.

**More Participation in Group Activities.** Because members wish to remain in the group, voluntary turnover from cohesive groups should be low. Also, members like being with each other; therefore, absence should be lower than that exhibited by less cohesive groups. In addition, participation should be reflected in a high degree of communication within the group as members strive to cooperate with and assist each other. This communication might well be of a more friendly and supportive nature, depending on the key goals of the group.<sup>41</sup>

**More Conformity.** Because they are so attractive and coordinated, cohesive groups are well equipped to supply information, rewards, and punishment to individual members. These factors take on special significance when they are administered by those who hold a special interest for us. Thus, highly cohesive groups are in a superb position to induce conformity to group norms.

Members of cohesive groups are especially motivated to engage in activities that will *keep* the group cohesive. Chief among these activities is applying pressure to deviants to get them to comply with group norms. Cohesive groups react to deviants



by increasing the amount of communication directed at these individuals.<sup>42</sup> Such communication contains information to help the deviant “see the light,” as well as veiled threats about what might happen if he or she does not. Over time, if such communication is ineffective in inducing conformity, it tends to decrease. This is a signal that the group has isolated the deviant member to maintain cohesiveness among the majority.

**More Success.** Above, we pointed out that successful goal accomplishment contributes to group cohesiveness. However, it is also true that cohesiveness contributes to group success—in general, cohesive groups are good at achieving their goals. Research has found that group cohesiveness is related to performance.<sup>43</sup> Thus, there is a reciprocal relationship between success and cohesiveness.

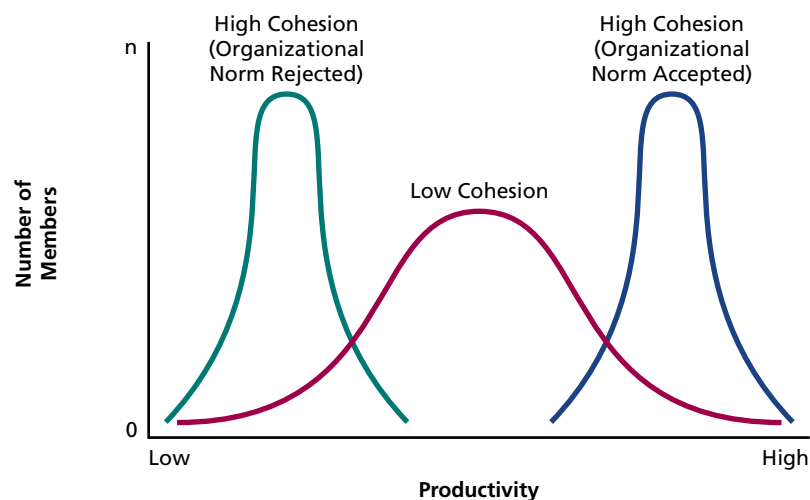
Why are cohesive groups effective at goal accomplishment? Probably because of the other consequences of cohesiveness we discussed above. A high degree of participation and communication, coupled with active conformity to group norms and commitment, should ensure a high degree of agreement about the goals the group is pursuing and the methods it is using to achieve these goals. Thus, coordinated effort pays dividends to the group.

Since cohesiveness contributes to goal accomplishment, should managers attempt to increase the cohesiveness of work groups by juggling the factors that influence cohesiveness? To answer this question, we must emphasize that cohesive groups are especially effective at accomplishing *their own* goals. If these goals happen to correspond with those of the organization, increased cohesiveness should have substantial benefits for group performance. If not, organizational effectiveness might be threatened. In fact, one study found that group cohesiveness was related to the productivity of paper-machine work crews that accepted the goals of the organization. Cohesiveness did not improve productivity in work crews that did not accept the goals of the organization.<sup>44</sup> One large-scale study of industrial work groups reached the following conclusions:

- In highly cohesive groups, the productivity of individual group members tends to be fairly similar to that of other members. In less cohesive groups there is more variation in productivity.
- Highly cohesive groups tend to be *more or less* productive than less cohesive groups.<sup>45</sup>

These two facts are shown graphically in Exhibit 7.6. The lower variability of productivity in more cohesive groups stems from the power of such groups to induce conformity. To the extent that work groups have productivity norms, more

**Exhibit 7.6**  
Hypothetical productivity curves for groups varying in cohesiveness.



cohesive groups should be better able to enforce them. Furthermore, if cohesive groups accept organizational norms regarding productivity, they should be highly productive. If cohesive groups reject such norms, they are especially effective in limiting productivity.

One other factor that influences the impact of cohesiveness on productivity is the extent to which the task really requires interdependence and cooperation among group members (e.g., a football team versus a golf team). Cohesiveness is more likely to pay off when the task requires more interdependence.<sup>46</sup>

In summary, cohesive groups tend to be successful in accomplishing what they wish to accomplish. In a good labour relations climate, group cohesiveness on interdependent tasks should contribute to high productivity. If the climate is marked by tension and disagreement, cohesive groups might pursue goals that result in low productivity.

## Social Loafing

Have you ever participated in a group project at work or school in which you did not contribute as much as you could have because other people were there to take up the slack? Or have you ever reduced your effort in a group project because you felt that others were not pulling their weight? If so, you have been guilty of social loafing. **Social loafing** is the tendency that people have to withhold physical or intellectual effort when they are performing a group task.<sup>47</sup> The implication is that they would work harder if they were alone rather than part of the group. Earlier we said that process losses in groups could be due to coordination problems or to motivation problems. Social loafing is a motivation problem.

People working in groups often feel trapped in a social dilemma, in that something that might benefit them individually—slacking off in the group—will result in poor group performance if everybody behaves the same way. Social loafers resolve the dilemma in a way that hurts organizational goal accomplishment. Notice that the tendency for social loafing is probably more pronounced in individualistic North America than in more collective and group-oriented cultures.

As the questions above suggest, social loafing has two different forms. In the *free rider effect*, people lower their effort to get a free ride at the expense of their fellow group members. In the *sucker effect*, people lower their effort because of the feeling that others are free riding, that is, they are trying to restore equity in the group. You can probably imagine a scenario in which the free riders start slacking off and then the suckers follow suit. Group performance suffers badly.

What are some ways to counteract social loafing?<sup>48</sup>

- *Make individual performance more visible.* Where appropriate, the simplest way to do this is to keep the group small in size. Then, individual contributions are less likely to be hidden. Posting performance levels and making presentations of one's accomplishments can also facilitate visibility.
- *Make sure that the work is interesting.* If the work is involving, intrinsic motivation should counteract social loafing.
- *Increase feelings of indispensability.* Group members might slack off because they feel that their inputs are unnecessary for group success. This can be counteracted by using training and the status system to provide group members with unique inputs (e.g., having one person master computer graphics programs).
- *Increase performance feedback.* Some social loafing happens because groups or individual members simply are not aware of their performance. Increased feedback, as appropriate, from the boss, peers, and customers (internal or external) should encourage self-correction. Group members might require assertiveness training to provide each other with authentic feedback.

**Social loafing.** The tendency to withhold physical or intellectual effort when performing a group task.

- *Reward group performance.* Members are more likely to monitor and maximize their own performance (and attend to that of their colleagues) when the group receives rewards for effectiveness.

## What Is a Team?

We began this chapter with a simple question: “What is a group?” Now you may be asking yourself, “What is a team?” Some writers have suggested that a “team” is something more than a “group.” They suggest that a group becomes a team when there exists a strong sense of shared commitment, and when a synergy develops such that the group’s efforts are greater than the sum of its parts.<sup>49</sup> While such differences might be evident in some instances, our definition of a group is sufficient to describe most teams that can be found in organizations. The term “team” is generally used to describe “groups” in organizational settings. Therefore, for our purposes in this chapter, we use the terms interchangeably.

In recent years, many organizations have, like Diamond Packaging, begun to use team-based work arrangements. Other well-known examples include GM’s Saturn Plant, Rubbermaid, Xerox, Federal Express, and General Electric. It has been estimated that 80 percent of organizations with 100 or more employees now use some form of teams, and more than 50 percent of all organizations in the United States are exploring team-based work systems.<sup>50</sup> Thus, it should not be surprising that teams have become the major building blocks of organizations and are now quite common in North America.<sup>51</sup> The reasons for this vary, but in many cases it is an attempt to improve efficiency, quality, customer satisfaction, innovation, and/or the speed of production.

Consider the case of Diamond Packaging that began this chapter. The company had to become more flexible and responsive in order to survive in a business that is based on getting last-minute jobs from clients. This required a shift from a traditional top-down management structure to a team approach that enabled the company to improve productivity, quality, sales, and customer satisfaction. These results are consistent with research that has shown improvements in organizational performance in terms of both efficiency and quality as a result of team-based work arrangements.<sup>52</sup>

## Designing Effective Work Teams

The double-edged nature of group cohesiveness suggests that a delicate balance of factors dictates whether a work group is effective or ineffective. In turn, this raises the idea that organizations should pay considerable attention to how work groups are designed and managed. At first, the notion of designing a work group might seem strange. After all, don’t work groups just “happen” in response to the demands of the organization’s goals or technology? While these factors surely set some limits on how groups are organized and managed, organizations are finding that there is still plenty of scope for creativity in work group design.

A good model for thinking about the design of effective work groups is to consider a successful sports team, whether professional or amateur. In most cases, such teams are small groups made up of highly skilled individuals who are able to meld these skills into a cohesive effort. The task they are performing is intrinsically motivating and provides very direct feedback. If there are status differences on the team, the basis for these differences is contribution to the team, not some extraneous factor. The team shows an obsessive concern with obtaining the right personnel, relying on tryouts or player drafts, and the team is “coached,” not supervised. With this informal model in mind, let us examine the concept of group effectiveness more closely.



J. Richard Hackman of Harvard University (co-developer of the Job Characteristics Model, Chapter 6) has written extensively about work group effectiveness.<sup>53</sup> According to Hackman, a work group is effective when (1) its physical or intellectual output is acceptable to management and to the other parts of the organization that use this output, (2) group members' needs are satisfied rather than frustrated by the group, and (3) the group experience enables members to *continue* to work together.

What leads to group effectiveness? In colloquial language, we might say "sweat, smarts, and style." More formally, Hackman notes that group effectiveness occurs when high effort is directed toward the group's task, when great knowledge and skill are directed toward the task, and when the group adopts sensible strategies for accomplishing its goals. And just how does an organization achieve this? As with Diamond Packaging, there is growing awareness in many organizations that the answer is self-managed work teams.

## Self-Managed Work Teams

Although the exact details vary tremendously, **self-managed work teams** generally provide their members with the opportunity to do challenging work under reduced supervision. Other labels that we often apply to such groups are autonomous, semi-autonomous, and self-regulated. The general idea, which is more important than the label, is that the groups regulate much of their own members' behaviour. Much interest in such teams has been spurred by the success of teams in Japanese industry.

Critical to the success of self-managed teams are the nature of the task, the composition of the group, and various support mechanisms.<sup>54</sup> Notice that many of the suggestions that follow should improve coordination and discourage social loafing.

**Tasks for Self-Managed Teams.** Experts agree that tasks assigned to self-managed work teams should be complex and challenging, requiring high interdependence among team members for accomplishment. In general, these tasks should have the qualities of enriched jobs, which we described in Chapter 6. Thus, teams should see the task as significant, they should perform the task from beginning to end, and they should use a variety of skills. The point here is that self-managed teams have to have something useful to self-manage, and it is fairly complex tasks that capitalize on the diverse knowledge and skills of a group. Taking a bunch of

### **Self-managed work teams.**

Work groups that have the opportunity to do challenging work under reduced supervision.

olive stuffers on a food-processing assembly line, putting them in distinctive jumpsuits, calling them the Olive Squad, and telling them to self-manage will be unlikely to yield dividends in terms of effort expended or brainpower employed. The basic task will still be boring, a prime recipe for social loafing!

Outside the complexity requirement, the actual range of tasks for which organizations have used self-managed teams is wide, spanning both blue- and white-collar jobs. In the white-collar domain, complex service and design jobs seem especially conducive to self-management. Organizations such as 3M, Aetna Life & Casualty, and Federal Express make extensive use of teams. At Federal Express, for example, self-managed back-office clerical teams are credited with improving billing accuracy and reducing lost packages for a savings of millions of dollars.<sup>55</sup>

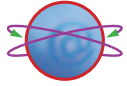
In the blue-collar domain, Kodak, General Mills, GM's Saturn plant, and Chaparral Steel of Midlothian, Texas, make extensive use of self-managed work groups. In general, these groups are responsible for dividing labour among various subtasks as they see fit and making a variety of decisions about matters that impinge on the group. When a work site is formed from scratch and lacks an existing culture, the range of these activities can be very broad. Consider the self-managed teams formed in a new U.K. confectionery plant.

Production employees worked in groups of 8 to 12 people, all of whom were expected to carry out each of eight types of jobs involved in the production process. Group members were collectively responsible for allocating jobs among themselves, reaching production targets and meeting quality and hygiene standards, solving local production problems, recording production data for information systems, organizing breaks, ordering and collecting raw materials and delivering finished goods to stores, calling for engineering support, and training new recruits. They also participated in selecting new employees. Within each group, individuals had considerable control over the amount of variety they experienced by rotating their tasks, and each production group was responsible for one product line. Group members interacted informally throughout the working day but made the most important decisions—for example, regarding job allocation—at formal weekly group meetings where performance was also discussed.<sup>56</sup>

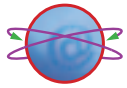
If a theme runs through this discussion of tasks for self-managed teams, it is the breakdown of traditional, conventional, specialized *roles* in the group. Group members adopt roles that will make the group effective, not ones that are simply related to a narrow specialty. For another example of using self-managed teams, consider the You Be the Manager feature.

**Composition of Self-Managed Teams.** How should organizations assemble self-managed teams to ensure effectiveness? “Stable, small, and smart” might be a fast answer.<sup>57</sup>

- **Stability.** Self-managed teams require considerable interaction and high cohesiveness among their members. This, in turn, requires understanding and trust. To achieve this, group membership must be fairly stable. Rotating members into and out of the group will cause it to fail to develop a true group identity.<sup>58</sup>
- **Size.** In keeping with the demands of the task, self-managed teams should be as small as is feasible. The goal here is to keep coordination problems and social loafing to a minimum. These negative factors can be a problem for all groups, but they can be especially difficult for self-managed groups. This is because reduced supervision means that there is no boss to coordinate the group's activities and search out social loafers who do not do their share of the work.
- **Expertise.** It goes without saying that group members should have a high level of expertise about the task at hand. Everybody does not have to know every-



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# You Be the Manager

## Teams at Motorola

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thing, but the group as a *whole* should be very knowledgeable about the task. Again, reduced supervision discourages “running to the boss” when problems arise, but the group must have the resources to successfully solve these problems. One set of skills that all members should probably possess to some degree is *social skills*. Understanding how to talk things out, communicate effectively, and resolve conflict is especially important for self-managed groups.

- **Diversity.** Put simply, a team should have members who are similar enough to work well together and diverse enough to bring a variety of perspectives and skills to the task at hand. A product planning group consisting exclusively of new, male M.B.A.s might work well together but lack the different perspectives that are necessary for creativity.

One way of maintaining appropriate group composition might be to let the group choose its own members, as occurred at the confectionery plant we discussed above. In the GM Saturn start-up, a panel of union and management members evaluated applications for all blue- and white-collar jobs, paying particular attention to social skills.<sup>59</sup> A potential problem with having a group choose its own members is that the group might use some irrelevant criterion (such as race or gender) to unfairly exclude others. Thus, human resources department oversight is necessary, as are very clear selection criteria (in terms of behaviours, skills, and credentials). The selection stage is critical, since some studies (including the one in the confectionery plant) have shown elevated turnover in self-managed teams.<sup>60</sup> “Fit” is important, and well worth expending the extra effort to find the right people.

The theme running through this discussion of team composition favours *high cohesiveness* and the development of group *norms* that stress group effectiveness.

**Supporting Self-Managed Teams.** A number of support factors can assist self-managed teams in becoming and staying effective. Reports of problems with teams can usually be traced back to inadequate support.

- **Training.** In almost every conceivable instance, members of self-managed teams will require extensive training. At Saturn, for example, new workers receive five full days of training, a figure unheard of in the traditional American auto industry. The kind of training depends on the exact job design and on the needs of the workforce. However some common areas include:
  - *Technical training.* This might include math, computer use, or any tasks that a supervisor formerly handled. Cross-training in the specialties of other teammates is common.
  - *Social skills.* Assertiveness, problem solving, and routine dispute resolution are skills that help the team operate smoothly.
  - *Language skills.* This can be important for ethnically diverse teams. Good communication is critical on self-managed teams.
  - *Business training.* Some firms provide basic elements of finance, accounting, and production so that employees can better grasp how their team’s work fits into the larger picture.

At Diamond Packaging, employees have developed three times as many job skills under the team approach, and all employees have a training and development plan.

- **Rewards.** The general rule here is to try to tie rewards to team accomplishment rather than to individual accomplishment while still providing team members with some individual performance feedback. Microsoft’s European product support group went from individual rewards to team-based rewards when it found that the former discouraged engineers from taking on difficult cases.<sup>61</sup> Diamond Packaging evaluates team performance and rewards teams with cash awards. Teams also set goals for themselves and decide how they will be rewarded if they meet them. Gainsharing, profit sharing, and skill-based pay (Chapter 6) all seem to be compatible reward systems for a team environment. Skill-based pay is especially attractive because it rewards the acquisition of multiple skills that can support the team. To provide individual performance feedback, some firms have experimented with peer (e.g., team member) performance appraisal. Many have also done away with status symbols that are unrelated to group effectiveness (such as reserved parking and dining areas).
- **Management.** Self-management will not receive the best support when managers feel threatened and see it as reducing their own power or promotion opportunities. Some schooled in the traditional role of manager may simply not adapt. Those who do can serve important functions by mediating relations

between teams and by dealing with union concerns, since unions are often worried about the cross-functional job sharing in self-management. A study found that the most effective managers in a self-management environment encouraged groups to observe, evaluate, and reinforce their own task behaviour.<sup>62</sup> This suggests that coaching teams to be independent enhances their effectiveness.<sup>63</sup> At Diamond Packaging, the work teams are responsible for many decisions as well as tracking product quality and profit without direct supervision.

Exhibit 7.7 summarizes the factors that influence work group effectiveness. Michael Campion and his colleagues have studied team characteristics and group effectiveness in teams of professional and nonprofessional workers.<sup>64</sup> Their results provide strong support for many of the relationships shown in Exhibit 7.7. For example, they found that task characteristics were related to most measures of group effectiveness including productivity, team member satisfaction, and manager and employee judgements of group effectiveness. Group composition characteristics were related to only a few of the effectiveness measures. In particular, teams perceived as too large for their tasks were rated as less effective than teams perceived as an appropriate size or too small. Managerial support was related to many of the measures of effectiveness and was found to be one of the best predictors of group performance in another recent study.<sup>65</sup> Campion and colleagues found that group processes were the best predictors of group effectiveness, which is consistent with Exhibit 7.7. Overall, research has shown improvements in team productivity, quality, customer satisfaction, and safety following the implementation of self-managed work teams.<sup>66</sup>

Finally, in keeping with some of the issues introduced in earlier chapters, you might be wondering what role values play in the use and effectiveness of self-managed work teams in different cultures. To find out, check out “Global Focus: Cultural Values and Globalized Self-Managed Work Teams.”

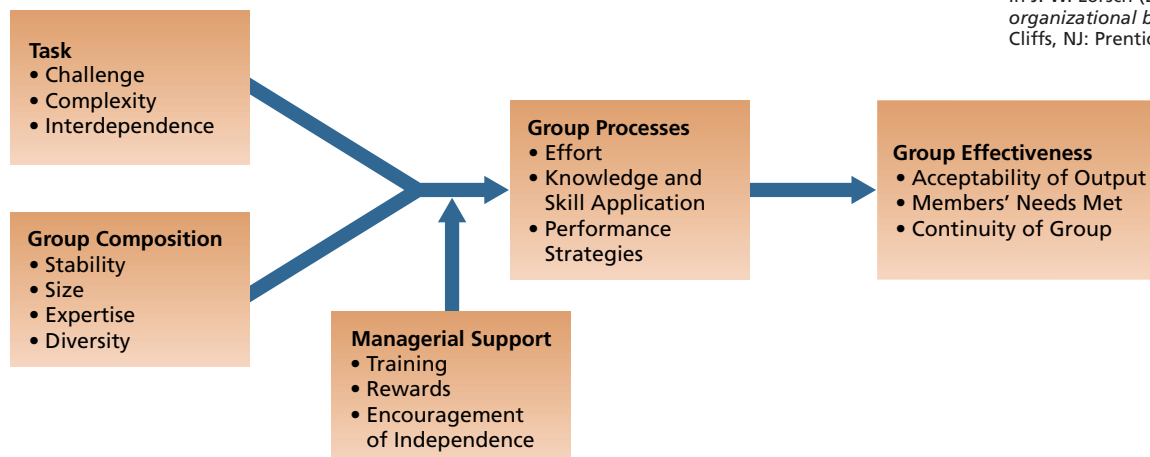
## Cross-Functional Teams

Let us look at another kind of team that contemporary organizations are using with increasing frequency. **Cross-functional teams** bring people with different functional specialties together to better invent, design, or deliver a product or service.

**Cross-functional teams.** Work groups that bring people with different functional specialties together to better invent, design, or deliver a product or service.

### Exhibit 7.7 Factors influencing work group effectiveness.

Source: Based in part on Hackman, J. R. (1987). The design of work teams. In J. W. Lorsch (Ed.), *Handbook of organizational behavior*. Englewood Cliffs, NJ: Prentice-Hall.



## GLOBAL FOCUS

## Cultural Values and Globalized Self-Managed Work Teams

The use of teams and self-managed work teams (SMWT) in North America is now quite common. Thus, it should come as no surprise that North American-based multinational firms have begun using self-managed work teams in their foreign facilities. For example, the Goodyear Tire & Rubber Company has begun SMWT initiatives in Europe, Latin America, and Asia; the Sara Lee Corporation currently uses SMWTs in Puerto Rico and Mexico; and Texas Instruments Malaysia has arranged the majority of its workforce into SMWTs. These are examples of what has been referred to as globalized SMWTs.

But will these globalized SMWTs be accepted and effective in all cultures? According to Bradley Kirkman and Debra Shapiro, cultural values can influence resistance to SMWTs and their effectiveness. They argue that differences in cultural values can be an important factor when considering whether employees will resist either the process of self-management and/or collaborative teamwork. For example, because people from “individualistic” cultures are more concerned with their own welfare over the interests of their group or organization, they are more likely to resist teams than individuals from collective cultures who value the welfare of the group over the individual.

Kirkman and Shapiro identified three cultural values that can affect resistance to self-management: power distance, doing-versus-being orientation, and determinism versus free will. Employees from high power distance cultures, such as the Philippines, Venezuela, and India, expect managers to lead and are uncomfortable with the delegation of discretionary decisions and the role ambiguity that can result from new tasks. As a result, management approaches such as self-management, which provide employees with more autonomy and responsibility, are likely to be resisted by employees in high power distance cultures.

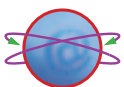
The extent to which one engages in work versus nonwork activities is a cultural value known as a

“doing-versus-being” orientation. People from doing-oriented cultures stress accomplishments, work hard to achieve goals, and maximize work. In contrast, individuals from being-oriented cultures stress release, work only as much as needed to be able to live, and avoid continuous work. Mexico and Malaysia are examples of being-oriented cultures, and the United States is an example of a doing-oriented culture. Self-management activities revolve around setting goals and continuous work which is consistent with a doing orientation and inconsistent with a being orientation. Therefore, individuals from being-oriented cultures are likely to resist self-management.

Determinism versus free will has to do with whether individuals feel that their actions are governed primarily by external forces (deterministic cultures) or believe that they alone control their actions (free will cultures). Deterministic cultures include Malaysia and Indonesia, and free will cultures include Australia, Canada, and the United States. Because self-management involves activities associated with changing one’s environment and its outcomes, individuals from deterministic cultures who believe they have very little control over their environment are likely to resist self-management.

Thus, individuals from some cultures are likely to be more receptive to SMWTs, while others are likely to be more resistant, depending on their cultural values. Because resistance to SMWTs can negatively impact group effectiveness, cultural values need to be considered when designing and implementing SMWTs. Having an understanding of how cultural values influence resistance should enable managers to design interventions that may facilitate employee support for SMWTs and to better match the form or operational characteristics of SMWTs to team members’ cultural values.

Source: Based on Kirkman, B. L., & Shapiro, D. L. (1997). The impact of cultural values on employee resistance to teams: Toward a model of globalized self-managing work team effectiveness. *Academy of Management Review*, 22, 730–757.



Sara Lee Corp.  
www.saralee.com

A cross-functional team might be self-managed and permanent if it is doing a recurrent task that is not too complex. For example, UPS and Times Mirror have multiskilled sales teams that sell and deliver products and services. If the task is complex and unique (such as designing a car), cross-functional teams require formal leadership, and their lives will generally be limited to the life of the specific project. In both cases, the “cross-functional” label means such diverse specialties are necessary so that cross-training is not feasible. People have to be experts in their own area but able to cooperate with others.

Cross-functional teams, which have been used in service industries such as banking and hospitals, are probably best known for their successes in product development.<sup>67</sup>

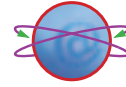
- Rubbermaid, which was named by *Fortune* as one of America's Most Admired Companies, uses teams to invent and design a remarkable variety of innovative household products.
- Thermos used a team to invent a very successful ecologically friendly electric barbecue grill. It sped to the market in record time.
- The auto industry has embraced cross-functional teams to reduce the cycle time needed to design new cars. Particular beneficiaries have been the Dodge Viper sports car and Ford's Mustang. Even venerable Rolls-Royce is using such teams.

The general goals of using cross-functional teams include some combination of innovation, speed, and quality that come from early coordination among the various specialties. We can see their value by looking at the traditional way auto manufacturers have designed cars in North America.<sup>68</sup> First, stylists determine what the car will look like and then pass their design on to engineering, which develops mechanical specifications and blueprints. In turn, manufacturing must then consider how to construct what stylists and engineers have designed. Somewhere down the line, marketing and accounting get their say. This process leads to problems. One link in the chain might have a difficult time understanding what the previous link meant. Worse, one department might resist the ideas of another simply because they "were not invented here." The result of all this is slow, expensive development and early quality problems. In contrast, the cross-functional approach gets all the specialties working together from day one. A complex project, such as a car design, might have over 30 cross-functional teams working at the same time.

The speed factor can be dramatic. Manufacturers have reduced the development of a new car model from five years to around three. Boeing used a cross-functional team to reduce certain design analyses from two weeks to only a few minutes.

**Principles for Effectiveness.** Research has discovered a number of factors that contribute to the effectiveness of cross-functional teams.<sup>69</sup>

- *Composition.* All relevant specialties are obviously necessary, and effective teams are sure not to overlook anyone. Auto companies put labour representatives on car design teams to warn of assembly problems. On the Mustang and Thermos projects, the companies included outside suppliers.
- *Superordinate goals.* **Superordinate goals** are attractive outcomes that can only be achieved by collaboration. They override detailed functional objectives that might be in conflict (e.g., finance versus design). On the Mustang project, the superordinate goal was to keep the legendary name alive in the face of corporate cost cutters.
- *Physical proximity.* Team members have to be relocated close to each other to facilitate informal contact. Mustang used a former furniture warehouse in Allen Park, Michigan, to house its teams.
- *Autonomy.* Cross-functional teams need some autonomy from the larger organization, and functional specialists need some authority to commit their function to project decisions. This prevents meddling or "micromanaging" by upper level or functional managers.
- *Rules and procedures.* Although petty rules and procedures are to be avoided, some basic decision procedures must be laid down to prevent anarchy. On the Mustang project, it was agreed that a single manufacturing person would have a veto over radical body changes.



Rubbermaid  
[www.rubbermaid.com](http://www.rubbermaid.com)

Thermos  
[www.thermos.com](http://www.thermos.com)

**Superordinate goals.** Attractive outcomes that can only be achieved by collaboration.

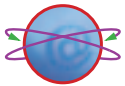


- *Leadership.* Because of the potential for conflict, cross-functional team leaders need especially strong people skills in addition to task expertise. The “tough engineer” who headed the Mustang project succeeded in developing his people skills for that task.

We will consider other material relevant to cross-functional teams when we cover conflict management and organizational design. Now, let's consider virtual teams.

## Virtual Teams

**Virtual teams.** Work groups that use technology to communicate and collaborate across time, space, and organizational boundaries.



Texas Instruments  
www.ti.com

With the increasing trends toward globalization and the rapid development of high-tech communication tools, a new type of team has emerged that will surely be critical to organizations' success for years to come: virtual teams. **Virtual teams** are work groups that use technology to communicate and collaborate across space, time, and organizational boundaries.<sup>70</sup> Along with their reliance on computer and electronic technology, the primary feature of these teams is the lack of face-to-face contact between team members due to geographic dispersion. This geographic separation often entails linkages across countries and cultures. Furthermore, virtual teams are often cross-functional in nature. Technologies used by virtual teams can be either asynchronous ones (e-mail, faxes, voice mail), which allow team members to reflect before responding, or synchronous ones (chat, groupware), through which team members communicate dynamically in real time. Although in the past they were only a dream, virtual teams are now spreading across the business landscape and are used by numerous companies such as Chevron, Sabre Inc., IBM, and Texas Instruments.

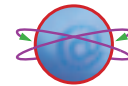
**Advantages of Virtual Teams.** Why are these teams becoming so popular? Because managers are quickly learning that linking minds through technology has some definite advantages:

- *Around-the-clock work.* Globally, using a virtual team can create a 24-hour team that never sleeps. In these “follow the sun” teams, a team member can begin a process in London and pass it on to another team member in New York for more input. From New York, the work can be forwarded to a colleague in San Francisco who, after more work, can send it along to Hong Kong for completion.<sup>71</sup> In today's non-stop economy, the benefits of such continuous workflows are huge.
- *Reduced travel time and cost.* Virtual teaming reduces travel costs associated with face-to-face meetings. In the past, important meetings, key negotiation sessions, and critical junctures in projects required team members to board planes and travel long distances. In the virtual environment, expensive and time-consuming travel can be mostly eliminated. As such, virtual teams can lead to significant savings of time and money. In addition to these savings, security concerns over air travel also make virtual teams an attractive alternative.
- *Larger talent pool.* Virtual teams allow companies to expand their potential labour markets and to go after the best people, even if these people have no interest in relocating. The nature of virtual teams can also give employees added flexibility, allowing for a better work/life balance, which is an effective recruiting feature.<sup>72</sup>

**Challenges of Virtual Teams.** While the advantages highlighted above are appealing, many commentators have pointed out that virtual teams can also involve some disadvantages.<sup>73</sup> The lesson seems to be that managers must recognize that these teams present unique challenges and should not simply be treated as regular teams that just happen to use technology.

- **Miscommunication.** The loss of face-to-face communication presents certain risks for virtual teams. Humans use many nonverbal cues to communicate meaning and feeling in a message. Using technology, the richness of face-to-face communication is lost, and miscommunication can result (see Chapter 10). These risks can be particularly high on global virtual teams, as attempts at humour or the use of unfamiliar terms can be misconstrued. Some organizations like Chevron encourage global team members to avoid humour or metaphors when communicating online.<sup>74</sup>
- **Trust.** Several commentators have noted that trust is difficult to develop between virtual team members. Many traditional ways in which people establish trust through physical contact and socialization are simply not available to virtual team members.
- **Isolation.** People have needs for companionship. In self-contained offices, co-workers can meet for lunch, share stories, talk about their kids, and socialize outside of work. Unfortunately, these more casual interactions are not usually possible for virtual teams, a lack which can lead to team members having feelings of isolation and detachment.
- **High costs.** Savings in other areas such as travel must be weighed against the costs of cutting-edge technology. Initial set-up costs can be substantial. Budgets must also be devoted to maintenance since, in the virtual environment, the firm's technology must run flawlessly, 24 hours a day, 7 days a week.
- **Management issues.** For managers, virtual teams can create new challenges in terms of dealing with subordinates who are no longer in view. How can you assess individual performance, monitor diligence, and ensure fairness in treatment when your team is dispersed around the globe?

Bradley Kirkman and colleagues studied 65 virtual teams at Sabre Inc., a leader in web-based travel reservations, and found that many of these challenges could be managed, and in some cases, turned into opportunities.<sup>75</sup> They found that trust, although developed differently than in face-to-face teams, was still possible through team member responsiveness, consistency, and reliability. Training and once-a-year team building exercises, in which members actually meet, also build trust and clarify communication standards at Sabre. Furthermore, Kirkman and colleagues found that virtual communication reduced instances of stereotyping, discrimination, personality conflicts, and the formation of cliques, which often create problems in conventional work environments. Finally, in terms of performance assessments, the view at Sabre is that technology actually leads to more objective, transparent, and unbiased information being available to both employees and managers.



Sabre Inc.  
[www.sabretravelnetwork.com](http://www.sabretravelnetwork.com)

**Lessons Concerning Virtual Teams.** Overall, a number of lessons are beginning to emerge about what managers must do or keep watch for when developing virtual teams.<sup>76</sup>

- **Recruitment.** Choose team members carefully in terms of attitude and personality, so that they are excited about these types of teams and can handle the independence and isolation that often define them. Find people with good interpersonal skills, not just technical expertise.
- **Training.** Invest in training for both technical and interpersonal skills. At Sabre, cooperation and interpersonal skills were rated much higher in importance than technical skills by virtual team members.
- **Personalization.** Encourage team members to get to know each other, either through informal communication using technology or by arranging face-to-face meetings whenever possible. Reduce feelings of isolation by setting aside time for chit-chat, acknowledging birthdays, and so on.

- *Goals and ground rules.* On the management side, virtual team leaders should define goals clearly, set rules for communication standards and responses, and provide feedback to keep team members informed of progress and the big picture.

The key appears to be in recognizing the ways in which these teams are different than those based in a single office environment, but not falling into the trap of focusing solely on technology. Many of the general recommendations that apply to any work team also apply to virtual teams. These teams are still made up of individuals who have the same feelings and needs as workers in more traditional environments. Virtual teams must be real teams, if not by location, then in mind and spirit.

## A Word of Caution: Teams as a Panacea

Teams can be a powerful resource for organizations, and this chapter has identified some of the important lessons leading to work-team success. However, switching from a traditional structure to a team-based configuration is not a cure-all for an organization's problems. It is likely that the research to date on teams has focused almost exclusively on viable, ongoing teams, with little attention being paid to failed or unsuccessful teams. Also, the emergence of many teams has been a result not of

employee demand but of managers' desire for greater organizational returns. As such, some suggest that the team approach puts unwanted pressure and responsibilities on workers. Some observers have noted that many organizations have rushed to deploy teams with little planning, often resulting in confusion and contradictory signals to employees. Good planning and continuing support are necessary for the effective use of teams.<sup>77</sup>

## Learning Objectives Checklist

1. A *group* consists of two or more people interacting interdependently to achieve a common goal. *Formal work groups* are groups that organizations establish to facilitate the achievement of organizational goals. *Informal groups* are groups that emerge naturally in response to the common interests of organizational members.
2. Some groups go through a series of developmental stages: Forming, storming, norming, performing, and adjourning. However, the *punctuated equilibrium model* stresses a first meeting, a period of little apparent progress, a critical midpoint transition, and a phase of goal-directed activity.
3. As groups get bigger, they provide less opportunity for member satisfaction. When tasks are *additive* (performance depends on the addition of individual effort) or *disjunctive* (performance depends on that of the best member), larger groups should perform better than smaller groups if the group can avoid *process losses* due to poor communication and motivation. When tasks are *conjunctive* (performance is limited by the weakest member), performance decreases as the group gets bigger, because the chance of adding a weak member increases. Diverse groups will generally develop at a slower pace and be less cohesive than homogeneous groups. While the effects of surface-level demographic diversity can wear off over time, deep diversity differences regarding attitudes are more difficult to overcome.
4. *Norms* are expectations that group members have about each other's behaviour. They provide consistency to behaviour and develop as a function of shared attitudes. In organizations, both formal and informal norms often develop to control dress, reward allocation, and performance. *Roles* are positions in a group that have associated with them a set of expected behaviours. *Role ambiguity* refers to a lack of clarity of job goals or methods. *Role conflict* exists when an individual is faced with incompatible role expectations, and it can take four forms: *intrasender*, *intersender*, *interrole*, and *person–role*. Both ambiguity and conflict have been shown to provoke job dissatisfaction, stress, and lowered commitment. *Status* is the rank or prestige that a group accords its members. Formal status systems use status symbols to reinforce the authority hierarchy and reward progression. Informal status systems also operate in organizations. Although status differences are motivational, they also lead to communication barriers.
5. *Cohesive groups* are especially attractive to their members. Threat, competition, success, and small size contribute to cohesiveness, as does a tough initiation into the group. The consequences of cohesiveness include increased participation in group affairs, improved communication, and increased conformity. Cohesive groups are especially effective in accomplishing their own goals, which might or might not be those of the organization.
6. *Social loafing* occurs when people withhold effort when performing a group task. This is less likely when individual performance is visible, the task is interesting, there is good performance feedback, and the organization rewards group achievement.
7. Members of *self-managed work teams* do challenging work under reduced supervision. For greatest effectiveness, such teams should be stable, small, well trained, and moderately diverse in membership. Group-oriented rewards are most appropriate.
8. *Cross-functional teams* bring people with different functional specialties together to better invent, design, or deliver a product or service. They should have diverse membership, a *superordinate goal*, some basic decision rules, and reasonable autonomy. Members should work in the same physical location, and leaders require people skills as well as task skills.

9. *Virtual teams* use technology to communicate and collaborate across time, space, and organizational boundaries. These teams offer many advantages such as reduced travel costs, greater potential talent, and continuous workflows, but pose dangers in terms of miscommunication, trust, and feelings of isolation.

## Discussion Questions

1. Describe the kind of skills that you would look for in members of self-managed teams. Explain your choices. Do the same for virtual teams.
2. Debate: Effective teamwork is more difficult for individualistic Americans, Canadians, and Australians than for more collectivist Japanese.
3. When would an organization create self-managed teams? When would it use cross-functional teams? When would it employ virtual teams?
4. Suppose that a group of United Nations representatives from various countries forms to draft a resolution regarding world hunger. Is this an additive, disjunctive, or conjunctive task? What kinds of process losses would such a group be likely to suffer? Can you offer a prediction about the size of this group and its performance?
5. Explain how a cross-functional team could contribute to product or service quality. Explain how a cross-functional team could contribute to speeding up product design.
6. Mark Allen, a representative for an international engineering company, is a very religious person and an elder in his church. Mark's direct superior has instructed him to use "any legal means" to sell a large construction project to a foreign government. The vice-president of international operations had informed Mark that he could offer a generous "kickback" to government officials to clinch the deal, although such practices are illegal. Discuss the three kinds of role conflict that Mark is experiencing.
7. Some organizations have made concerted efforts to do away with many of the status symbols associated with differences in organizational rank. All employees park in the same lot, eat in the same dining room, and have similar offices and privileges. Discuss the pros and cons of such a strategy. How might such a change affect organizational communications?
8. You are an executive in a consumer products corporation. The president assigns you to form a task

force to develop new marketing strategies for the organization. You are permitted to choose its members. What things would you do to make this group as cohesive as possible? What are the dangers of group cohesiveness for the group itself and for the organization of which the group is a part?

## Integrative Discussion Questions

1. What role do perceptions play in group development? Refer to the perceptual process and biases in Chapter 3 and discuss the implications for each stage of group development. What are the implications for improving the development of groups?
2. How can groups be motivated? Consider the implications of each of the work motivation theories described in Chapter 5. What do the theories tell us about how to motivate groups?

## Experiential Exercise

### NASA

The purpose of this exercise is to compare individual and group problem solving and to explore the group dynamics that occur in a problem-solving session. It can also be used in conjunction with Chapter 11. The instructor will begin by forming groups of four to seven members.

The situation described in this problem is based on actual cases in which men and women lived or died, depending on the survival decisions they made. Your "life" or "death" will depend on how well your group can share its present knowledge of a relatively unfamiliar problem, so that the group can make decisions which will lead to your survival.

### The Problem

You are a member of a space crew originally scheduled to rendezvous with a mother ship on the lighted surface of the moon. Due to mechanical difficulties, however, your ship was forced to land at a spot some 200 miles from the rendezvous point. During landing, much of the equipment aboard was damaged, and, because survival depends on reaching the mother ship, the most critical items available must be chosen for the 200-mile trip. On the next page are listed the fifteen items left intact and undamaged after the landing. Your task is to rank them in terms of their importance to your crew in reaching the rendezvous point. In the first column (step 1) place the number 1 by the first most important, and so on, through number 15, the least important. You have fifteen minutes to complete this phase of the exercise.

After the individual rankings are completed, participants should be formed into groups having from four to seven members. Each group should then rank the fifteen items as a team. This group ranking should be a general consensus after a discussion of the issues, not just the average of each individual

ranking. While it is unlikely that everyone will agree exactly on the group ranking, an effort should be made to reach at least a decision that everyone can live with. It is important to treat differences of opinion as a means of gathering more information and clarifying issues and as an incentive to force the group to seek better alternatives. The group ranking should be listed in the second column (step 2). The third phase of the exercise consists of the instructor providing the expert's rankings, which should be entered in the third column (step 3). Each participant should compute the difference between the individual ranking (step 1) and the expert's ranking (step 3), and between the group ranking (step 2) and the expert's ranking (step 3). Then add the two "difference" columns—the smaller of the score, the closer the ranking is to the view of the experts.

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### Discussion

The instructor will summarize the results on the board for each group, including (a) average individual accuracy score,

(b) group accuracy score, (c) gain or loss between the average individual score and the group score, and (d) the lowest individual score (i.e., the best score) in each group.

The following questions will help guide the discussion:

1. As a group task, is the NASA exercise an additive, disjunctive, or conjunctive task?
2. What would be the impact of group size on performance in this task?
3. Did any norms develop in your group that guided how information was exchanged or how the decision was reached?
4. Did any special roles emerge in your group? These could include a leader, a secretary, an "expert," a critic, or a humorist. How did these roles contribute to or hinder group performance?
5. Consider the factors that contribute to effective self-managed teams. How do they pertain to a group's performance on this exercise?
6. How would group diversity help or hinder performance on the exercise?

### NASA tally sheet

Items	Step 1 Your individual ranking	Step 2 The team's ranking	Step 3 Survival expert's ranking	Step 4 Difference between Step 1 & 3	Step 5 Difference between Step 2 & 3
Box of matches					
Food concentrate					
50 feet of nylon rope					
Parachute silk					
Portable heating unit					
Two .45 calibre pistols					
One case dehydrated milk					
Two 100-lb. tanks of oxygen					
Stellar map (of the moon's constellation)					
Life raft					
Magnetic compass					
5 gallons of water					
Signal flares					
First aid kit containing injection needles					
Solar-powered FM receiver-transmitter					
Total					
(The lower the score the better)				Your score	Team score



## Case Incident

### The Group Assignment

Janet, a student, never liked working on group assignments; however, this time she thought it would be different because she knew most of the people in her group. But it was not long before things started going badly. After the first meeting, the group could not agree when to meet again. When they finally did agree to meet, nobody had done anything, and the assignment was due in two weeks. The group then agreed to meet again the next day to figure out what to do. However, two of the group members did not show up. The following week Janet tried in vain to arrange for another meeting, but the other group members said they were too busy, and that it would be best to divide the assignment up and have each member work on a section. The night before the assignment was due the group members met to give Janet their work. Finally, Janet thought, we are making progress. However, when she got home and read what the other members had written she was shocked at how bad it was. Janet spent the rest of the night and early morning doing the whole assignment herself. Once the course ended, Janet never spoke to any of the group members again.

1. Refer to the typical stages of group development and explain the development of Janet's group.
2. To what extent was group cohesiveness a problem in Janet's work group? What might have made the group more cohesive?

## Case Study

### Levi Strauss & Co.'s Flirtation with Teams

Levi Strauss & Co. is the largest maker of brand-name clothing in the world. It has had a long history of being profitable, good to its workers, and charitable to its factory towns. Compared with other companies in the apparel industry, Levi Strauss had been known for generous wages and good working conditions. According to Chairman Robert Haas, Levi's treatment of its workers and concern for their welfare is far greater than in other companies in the industry.

When other American apparel firms moved their manufacturing offshore, Levi Strauss & Co. maintained a large American manufacturing base and was often ranked as one of the best companies to work for. In fact, in 1997 the company received an award from the United Nations for improving global workplace standards.

By 1992, however, Levi Strauss & Co. began to feel the pressure of overseas, low-cost competitors, and realized the need to increase productivity and reduce costs in order to remain competitive and keep their North American plants open. The company decided that the best solution was teamwork. In a memo sent to workers, Levi's operations vice-president wrote, "This change will lead to a self-managed work environment that will reduce stress and help employees become more productive." Teamwork was felt to be a

humane, safe, and profitable solution that would be consistent with the company's philosophy.

Up until 1992, Levi's employees worked on their own operating machines in which they performed a single, specific, and repetitive task, such as sewing zippers or belt loops on jeans. Pay was based on a piece-rate system, in which workers were paid a set amount for each piece of work completed. A worker's productivity and pay was highly dependent on levels of skill, speed, and stamina.

Gone was the old system of performing a single task all the time and the piece-rate system that went with it. Now groups of 10 to 50 workers shared the tasks and would be paid for the total number of trousers that the group completed. The team system was expected to lower the monotony of piece-work by enabling workers to do different tasks and to therefore lower repetitive-stress injuries.

Although employees were given brief seminars and training on team building and problem solving, it was not long before problems began to arise. Top performers complained about their less skilled and slower teammates who caused a decline in their wages. Meanwhile, the wages of lower skilled workers increased. Threats, insults, and group infighting became a regular part of daily work as faster workers tried to rid their group of slower workers. To make matters worse, top performers responded to their lower wages by reducing their productivity. Not surprisingly, employee morale began to deteriorate.

Another problem was that whenever a group member was absent or slow, the rest of the team had to make up for it. This exacerbated the infighting among team members and resulted in excessive peer pressure. In one instance, an enraged worker had to be restrained from throwing a chair at a team member who constantly harassed her about working too slow, and in another incident, a worker threatened to kill a member of her team. An off-duty sheriff's deputy had to be placed at the plant's front entrance.

Because the groups had limited supervision, they had to resolve group problems on their own, and they also divided up the work of absent members themselves. In some plants, team members would chase each other out of the bathroom and nurse's station. Slower teammates were often criticized, needled, and resented by their group. Some could not take the resentment and simply quit. In one group, a member was voted off her team because she planned to have hand surgery.

And although workers were now part of a team system, management was not given guidance on how to implement the system. As a result, each manager had his or her own idea of how the team system should work, including team size, structure, pay formulas, and shop-floor layouts. One former production manager described the situation as worse than chaos and more like hell!

To make matters worse, the team system did not improve the situation for Levi's. Labour and overhead costs increased by up to 25 percent during the first years of the team system.

Efficiency, based on the quantity of pants produced per hour worked, dropped to 77 percent of pre-team levels. Although productivity began to improve, it is now only at 93 percent of the piece-work level. Even in some of the company's best plants, production has fallen and remained at lower levels since the introduction of teams. And although one

of the reasons for adopting the team system was to lower the high costs of injuries that resulted from workers pushing themselves to achieve piece-rate goals, these costs continued to rise in many plants even after the team approach was implemented.

Profit margins also began to decline as competitors began offering private-label jeans at two-thirds the price of Levi's, and Levi's market share of men's denim-jeans in the United States fell from 48 percent in 1990 to 26 percent in 1997. As costs continued to increase, plant managers were warned that they would face an uncertain future unless they cut costs by 28 percent by the end of year.

Teams did, however, result in some improvements. For example, the average turnaround time of receiving an order and shipping it was reduced from nine to seven weeks. As well, because the teams were responsible for producing completed pairs of pants, there was less work in process at the end of each day compared with the piece-rate system, where each worker did only one part of the job. And according to Robert Haas, teams allowed workers to manage themselves and to find better and safer ways of working.

Nonetheless, the team system did not help Levi's achieve its objectives. In February 1997, then-CEO and current board chair Robert Haas announced that the company would cut its salaried workforce by 20 percent in the next 12 months. The following November, the company closed 11 factories in the United States and laid off 6,395 workers. In an unusual response to being laid off, one worker described it as a "relief" from the burden and stress that had become part of her job.

Commenting on the team approach, a now retired former manufacturing manager said, "We created a lot of anxiety and pain and suffering in our people, and for what?" According to a production manager who has taken early retirement, "It's just not the same company anymore. The perceived value of the individual and the concern for people just is not there." A veteran worker who had gone back to the old system of doing a single task and was now paid in part for what she produced said, "I hate teams. Levi's is not the place it used to be."

In February 1999, as sales of Levi's jeans continued to fall, the company let go another 5,900 or 30 percent of its workforce of 19,900 in the United States and Canada and announced that it would close 11 of its remaining 22 plants in North America. According to company officials, plant closings might have been sooner and job losses greater if they had not adopted the team system. In 2003, due to substantial drops in net sales over the last three years, the company implemented more measures to recoup some of its losses, including closing 37 of its factories worldwide and instead using independent contract manufacturers. The company is closing its

remaining North American manufacturing facilities; its San Antonio operations will be closed by the end of 2003 and its three Canadian operations by March 2004. The closures will affect some 2,000 employees. The Canadian plants were considered among the most efficient in the company. As such, Levi Strauss & Co. will now manufacture 100 percent of its jeans for the North American market outside of North America, compared with 15 percent in 1991, and none 15 years ago.

Sources: Gilbert, C. (1998, September). Did modules fail Levi's or did Levi's fail modules? *Apparel Industry Magazine*, 88-92; King, R. T., Jr. (1998, May 20). Levi's factory workers are assigned to teams and morale takes a hit. *The Wall Street Journal*, pp. A1, A6; Levi Strauss & Co. (Sep 15, 2003). *Hoover's Company Capsules* (L), p. 40278. Retrieved September 30, 2003, from ProQuest database; McFarland, J. (1999, February 23). Levi Strauss slashes 5,900 jobs. *The Globe and Mail*, p. B5; Paddon, D. (2003, September 26). Levi Strauss closing plants. *Montreal Gazette*, p. B2; Steinhart, D. (1999, February 23). Levi to shut plants in Cornwall, *U.S. Financial Post*, pp. C1, C9.

1. Discuss the stages of group development and the implications of them for the development of the teams at Levi Strauss.
2. Discuss some of the norms that emerged in the teams. What was their function and how did they influence the behaviour of group members?
3. Discuss the role dynamics that emerged in the groups. Is there any evidence of role ambiguity or role conflict?
4. How cohesive were the groups at Levi Strauss? What factors contribute to the level of cohesiveness?
5. Analyze and evaluate the effectiveness of the teams using the concepts summarized in Exhibit 7.7.
6. The teams were supposed to be self-managing teams. Critique this idea in terms of the principles for effectiveness for such teams given in the text.
7. Do you think it was a good idea for Levi Strauss & Co. to implement a team system? Was it the best solution to deal with increased global competition? Why wasn't the team approach at Levi Strauss & Co. more effective, and with your knowledge of groups, what might you do differently if you had to implement a team system at Levi Strauss?
8. What does the Levi Strauss experience tell us about the use of teams and their effectiveness?